GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2984
ANSWERED ON:20.03.2007
MANUFACTURING SECTOR
Saradgi Shri Iqbal Ahmed

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government is planning to set up five manufacturing investment regions on the lines of special economic zones covering a large area to boost the manufacturing sector;

(b) if so, whether the PM's trade and advisory council considered the report of investment commission and national manufacturing competitiveness council in July, 2006;

(c) if so, whether liberalizing of foreign direct investment norms is also being considered specially in the leather, pharmaceutical and engineering goods industries;

(d) if so, whether the Ministry of Commerce and Industry has also stated that there is no scope for further liberalising of FDI norms in manufacturing sector; and

(e) if so, by what time final decision in this regard is likely to be taken?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI KAMAL NATH)

(a) : Setting up of Manufacturing Investment Regions is amongst the initiatives being considered by the Government of India for providing quality infrastructure, speedier clearances and more efficient & transparent regulatory systems in order to encourage manufacturing growth.

(b) : Yes, Sir. The PM's Council on Trade & Industry considered the reports of the Investment Commission and the National Manufacturing Competitiveness Council in its meeting held in July 2006.

(c)to(e) : As per extant policy, Foreign Direct Investment (FDI) up to 100% is permitted on the automatic route in the manufacturing sector including pharmaceuticals, leather and engineering goods. The FDI Policy is reviewed on an ongoing basis. The policy on FDI was reviewed in 2006 and several rationalisation/ liberalisation measures were notified.